

L E A S E

THIS LEASE made in triplicate this 21st day of November, 1967, between TALBOT CAMPBELL, hereinafter referred to as Lessor, and PUGET SOUND TERMINAL COMPANY, hereinafter referred to as Lessee,

W I T N E S S E T H

1. The Lessor does hereby lease to Lessee, as his separate property, and Lessee does hereby lease from Lessor, those certain premises situated in the city of Seattle, King County, Washington, described as follows:

That portion of Tract 11 of Duwamish Industrial Addition to the City of Seattle described as follows:

Beginning at the northeast corner of said lot; thence south 89°53'46" west 70 feet to the northwest corner of said lot; thence on the westerly line of said lot south 12°24'00" west 316.01 feet to the most westerly corner of said lot; thence north 65°21'31" east 152.95 feet to the easterly line of said lot; thence on said easterly line north 00°16'14" east 245 feet to the point of beginning; ALSO Tracts 12 and 13 of Duwamish Industrial Addition to the City of Seattle, all as per plat recorded in Volume 21 of Plats, page 65, records of King County, together with the south half of vacated Fontanelle Street,

hereinafter called "premises".

2. Purpose. The premises may be used by the Lessee, its subtenants or assigns for any legal purpose.

3. Term. The term of this lease shall commence on the 1st day of January, 1968, and end on the 28th day of February, 2009, inclusive.

4. Rent. Lessee covenants and agrees to pay the Lessor as rental for said premises in lawful money of the United States in advance on the first day of each calendar month of the term of the lease, the sum of \$1,100.00 each month from the date of possession to March 1, 1969. From March 1, 1969, to and including February 28, 1974, each month, the sum of \$1,100.00 plus that percentage thereof which is equal to the percentage of the increase, if any, of the Seattle Metropolitan Area Consumer Price Index of the United States Bureau of Labor Statistics for March 1, 1969, over such index for August 1, 1966. Thereafter, on each of the following dates: March 1, 1974; March 1, 1979; March 1, 1984; March 1, 1989; March 1, 1994; March 1, 1999; March 1, 2004 and March 1, 2009, which dates are hereinafter referred to as adjustment dates, monthly rental for the next five years of the lease term shall be increased by the percentage thereof which is equal to the percentage of increase, if any, of the Seattle Metropolitan Area Consumer Price Index of the United States Bureau of Labor Statistics on each of the adjustment dates over such index for August 1, 1966.

If for any reason the Seattle Metropolitan Area Consumer Price Index of the United States Bureau of Labor Statistics ceases to be published, there shall be substituted therefor, if necessary, a consumer price index of the United States Bureau of Labor Statistics.

The Lessee has this day paid to the Lessor the first and last months rent in the sum of \$2,200.00, the receipt of which is hereby acknowledged by Lessor.

5. Taxes and Utilities. In addition to the rental above provided for, the Lessee shall pay all taxes and assessments levied upon said property which become due and payable during the lease term and all charges for light, heat, water, sewer, gas and other utilities which shall be charged against the premises during said period.

6. Repairs. The premises have been inspected and are accepted by Lessee in their present condition, and Lessee will at all times keep the premises neat, clean and in a sanitary condition to the satisfaction of the Board of Health and the Fire Department of the City of Seattle and its inspectors, and shall comply with each and all of the statutes of the State of Washington, and all city ordinances now in force or effect or hereinafter enacted.

Except for reasonable wear and tear and damage by unavoidable casualty, Lessee will at all times preserve said premises in as good repair as they are now or may hereafter be put to. All repairs shall be at Lessee's sole cost and expense. Lessee agrees that at the expiration or sooner termination of this lease, Lessee will quit and surrender the said premises without notice, in a neat and clean condition, and will deliver up all keys belonging to said premises to the Lessor or Lessor's agent.

7. Accidents. The Lessee hereby covenants and agrees to hold harmless the Lessor from all damages of every kind or nature whatsoever that may be claimed or accrued by reason of any accident

upon said leased premises during the term of this lease, and the Lessor shall not be liable to the Lessee or to any person for claims arising from any cause, whether known or unknown, or by reason of any act or neglect of any agent, servant or employee of the Lessee relating to said premises.

8. Improvements. The Lessee contemplates making certain alterations, additions or improvements to the premises from time to time during the term of the lease which shall be made at the sole cost and expense of the Lessee. It is understood and agreed that said alterations, additions or improvements shall not be made without the consent of the Lessor, which consent shall not be unreasonably withheld. If the Lessee shall perform work with the consent of the Lessor, as aforesaid, Lessee agrees to comply with all laws, ordinances, rules and regulations of the city of Seattle or any other authorized public authority. The Lessee further agrees to save the Lessor free and harmless from damage, loss or expense arising out of said work. The Lessee shall keep the premises and property in which the leased premises are situated, free from any liens arising out of the work performed, materials furnished or obligations incurred by Lessee. Lessee shall remove all such alterations, additions and improvements at the expiration or sooner cancellation of this lease unless Lessor consents to Lessee's leaving such items. In removing the alterations, additions and improvements, Lessee shall remove all foundations for such items and repair any damage to the premises caused by the removal of such items.

9. Trade Fixtures. All personal property, equipment and trade fixtures placed in or attached to the premises by Lessee during the term of this lease shall remain the property of and may be removed by Lessee at the termination or sooner cancellation of this lease. In removing such property, equipment and trade fixtures, Lessee shall remove all foundations for such items and repair all damage to the premises caused by the removal thereof.

10. Possession. Lessor hereby warrants and agrees to defend the Lessee in the enjoyment and peaceful possession of the premises during the term of this lease without any interruption by Lessor or any person claiming under Lessor. In the event of the inability of the Lessor to deliver possession of the premises, or any portion thereof, at the time of the commencement of the term of this lease, Lessor shall not be liable for any damage caused thereby, nor shall this lease thereby become void or voidable, nor shall the term herein specified be in any way extended, but in such event, Lessee shall not be liable for any rent until such time as Lessor can deliver possession.

11. Assignment. The Lessee may assign this lease and may sublet all or any portion of the above premises without the necessity of obtaining Lessor's consent. The Lessee will, however, advise Lessor of each assignment and subletting and the terms thereof. Each assignee or sublessee must agree in writing to be bound by and agree to perform this lease according to its terms before the assignment becomes effective; provided, however, that any such

assignment shall not terminate the covenants or obligations of the Lessee under this lease.

12. Cancellation. In the event the Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Lessee, then the Lessor may cancel this lease at Lessor's option.

Upon six months notice in writing by Lessee prior to any five year anniversary period of the lease commencing March 1, 1979, the lease may be cancelled by Lessee.

13. Governmental Fees. All fees payable to the city, county or state, on account of any inspection made of said leased premises by any officer of said city, county or state shall be paid by Lessee.

14. Lessor Obligations. If Lessor fails to perform properly any obligation owing to a third person which, if unperformed, might result in termination of this lease, Lessee may perform such obligation for the account of the Lessor, and any such payment made by the Lessee shall be credited on the amount due from the Lessee to the Lessor under the terms of this lease.

15. Default. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreements herein contained, then the Lessor may cancel this lease and re-enter said premises. Provided, however, that no failure to pay rent or to perform any condition or covenant of this lease shall

entitle the Lessor to cancel this lease and re-enter the premises unless said failure shall have continued for thirty (30) days after Lessor has given Lessee written notice requiring the payment of such rent, or the performance of such condition or covenant.

16. Costs and Attorneys' Fees. If by reason of any default on the part of the Lessor or the Lessee it becomes necessary for the Lessor or the Lessee to employ an attorney to bring action for any relief against the other party, declaratory or otherwise, arising out of this lease, then and in such event it is hereby mutually agreed that the prevailing party's reasonable attorneys' fees and the costs and expenses expended or incurred in connection therewith shall be paid by the other party.

17. Damage or Destruction. In the event the premises are damaged to such an extent as to render the same untenable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Lessor to repair or rebuild the same; and after the happening of any such contingency, the Lessee shall give Lessor or Lessor's agent immediate written notice thereof. Lessor shall, within thirty (30) days after date of such notification, notify the Lessee in writing of Lessor's intentions to repair or rebuild said premises, or the part so damaged as aforesaid, and if Lessor elects to repair or rebuild said premises, Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period the rent of said premises shall be abated in the same ratio that that portion of the premises

rendered for the time being unfit for occupancy shall bear to the whole of the leased premises. If the Lessor elects not to repair or rebuild or fails to give the notice aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon the Lessor or Lessor's agent.

18. Notices. Any notice required to be served in accordance with the terms of this lease, shall be sent by mail, the notice from the Lessee to be sent to the Lessor or Lessor's agent, and the notice from the Lessor to be sent to Lessee at the leased premises.

19. Non-Waiver of Breach. The failure to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

20. Heirs and Successors. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

21. Hold-Over. If the Lessee shall, with the written consent of Lessor, hold over after the expiration of the term of this lease, such tenancy shall be for an indefinite period of time on

a month to month tenancy, which tenancy may be terminated as provided by the Laws of the State of Washington. During such tenancy Lessee agrees to pay to the Lessor the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants, and conditions as herein specified, so far as applicable.

22. Right of First Refusal. In the event Lessors desire to sell and receive an offer to purchase from a third party, Lessors will make no offer nor accept any offer nor sell the leased premises until they have submitted to Lessee the form of offer received and which Lessors are willing to accept and allow Lessee thirty (30) days to meet the terms of said offer, which will thereby be accepted by Lessors and closed in the normal manner under the terms of said accepted offer.

23. Insurance. Lessee agrees that during the lease term it will insure the improvements on the premises, at its sole expense, for a loss against fire and extended coverage in an amount not less than the current replacement value thereof and Lessee agrees to furnish Lessor evidence of such insurance and further agrees that Lessor shall be named in such policies of insurance as a loss payee.

24. Use of Adjoining Waterway. Lessor does not own the adjoining Duwamish Waterway and has no objection to Lessee's using said adjoining waterway so long as such use does not subject Lessor to liability. Lessee agrees to obtain permission from the Corps of Engineers before dumping any material into the waterway

STATE OF WASHINGTON)
) ss.
County of King)

On this 21st day of November, 1967, before me personally appeared J. Hux Woodcraft, to me known to be the Vice President of PUGET SOUND TERMINAL COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Clyde H. Macdonald
Notary Public in and for the State
of Washington, residing at _____